

INTRODUCING THE 25C MEANS BUSINESS PROGRAM: FREE MARKETING RESOURCES FOR INSULATION CONTRACTORS

Peter Troast, Founder & CEO

Energy Circle Webinar Series

July 10, 2024

What We'll Discuss

- 1 QUICK REVIEW: DETAILS OF 25C
- 2 INTRODUCING NAIMA'S 25C MEANS BUSINESS PROGRAM AND MARKETING ASSET LIBRARY
- TAKING ADVANTAGE OF THE PROGRAM AND LEANING IN TO THE TAX CREDIT AS PART OF YOUR MARKETING



25C TAX CREDIT DETAILS



25C—Energy Efficient Home Improvement Tax Credit

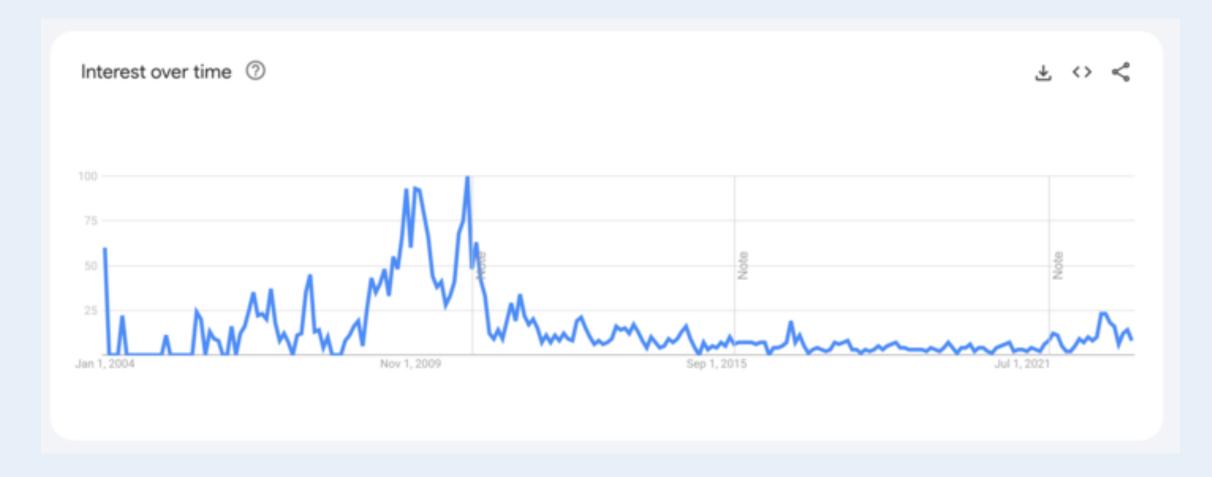
- 30% of total costs, annually through 2032
- Lifetime cap of \$500 will be replaced with \$1,200 annual total limit
- Eligible services and home improvements include:
 - Insulation and air sealing (up to \$1200)
 - Energy audits (\$150 credit)
 - Energy-efficient HVAC systems (including furnaces, boilers, and central AC)
 - Electrical panel upgrades
 - Energy-efficient windows and doors (\$500 credit for doors)
 - Heat pumps and heat pump water heaters (additional \$2,000 credit)



THE NEW 25C TAX CREDIT. VERY LOW UPTAKE.

Table B-I. Residential Energy Credits Claimed and Average Amount, 2006-2015

	Number of Tax Returns Which Include Claims for Residential Credits	Total Amount of Residential Credits Claimed (Millions)	Average Credit Amount
2006	4,344,189	\$1,000.15	\$230
2007	4,326,398	\$1,007.58	\$233
2008	225,733	\$216.69	\$960
2009	6,711,682	\$5,822.88	\$868
2010	7,155,889	\$6,173.49	\$863
2011	3,642,988	\$1,676.00	\$460
2012	2,225,307	\$1,266.56	\$569
2013	3,036,039	\$1,613.80	\$532
2014	2,663,702	\$1,638.35	\$615
2015	2,592,967	\$2,087.75	\$805



"Insulation tax credit"





25 MEANS BUSINESS

The tools contractors need to take full advantage of insulation tax credits and use them to grow their residential retrofit business.

Insulation Institute KNOWLEDGE. LEADERSHIP. CONFIDENCE.

- Contractors lack the funds to properly market the 25C tax credit in a way that meaningfully benefits their business.
- Contractors struggle to find the right messaging for promoting and selling the 25C tax credit.
- Contractors need help training their staff and sales teams on how to talk about the 25C tax credit with homeowners.
- Contractors and their teams need help better understanding the fine print of the 25C tax credit themselves so that they can best educate their customers.

The 25C Means
Business Program
addresses ALL of
these problems, and
is available FOR FREE
to any insulation
contractor interested
in participating.

25C MEANS BUSINESS

Program Part 1: Contractor Training & Education

- From tax credit 101 info to advanced policy interpretations, all program educational material will be available via FAQs and PDF factsheets through the 25CMeansBusiness.org website
- Pre-recorded videos and webinars will help contractors and their teams market and sell the 25C tax credit the right way
- Sample invoices and certificates will make it easy for contractors to fit 25C into their existing workflow

Program Part 2: Homeowner Marketing Kit

All contractors enrolled in the 25C Means Business program will have access to a wide variety of marketing and sales materials designed to position you as a trusted expert in insulation tax credits.



Landing pages, blog articles, infographics, and videos about the 25C tax credit that can easily be added to your website.



Third-party-branded educational material like sales sheets and pamphlets to print out and bring to sales calls.



Copy and design templates for 25C email, paid search advertising, direct mail, and social media campaigns.



Contractor badges & truck decals that show homeowners what sets you apart from competitors.



+ Hands-on Support

Contractors meeting specific criteria can receive free additional support and resources, including custom-branded content, assistance from our partner marketing team in updating your website, and more

Educational & Sales Training Materials

For Contractors





FAQs about the 25C Homeowner Tax Credit

Do you need to owe taxes to take advantage of the 25C Energy Efficient **Home Improvement Tax Credit?**



The 25C tax credit is a nonrefundable personal tax credit. That means it can only be used to decrease or eliminate the federal tax liability of the homeowner in the year the insulation improvement is made. A taxpayer does not receive a credit or a refund in the form of a payment for any amount that exceeds the taxpayer's tax liability for the year.



If a homeowner's federal tax liability is less than the amount of tax credit they can claim, can they roll over the balance and apply it to the following year's taxes?

No, any remaining 25C homeowner tax credit balance cannot be carried forward.



Are the tax credits available for improvements made to a second home or an investment property?

Improvements made to a second home or investment property are not eligible for the credit. Qualifying improvements must be made to the taxpayer's principal place of residence.



Can a taxpayer claim the credits for expenditures incurred for a newly constructed home?

No. The tax credit is limited to insulation and air sealing improvements made to an existing home or for an addition or renovation to an existing home.



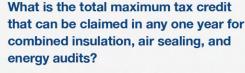
May a taxpayer include sales tax when calculating the amount of expenditures eligible for the credits?

Yes. The sales tax on qualifying insulation or air sealing material is part of the amount paid and therefore included within the eligible expense.



May a taxpayer include sales tax when calculating the amount of expenditures eligible for the credits?

Yes, homeowners can claim both tax credits and rebates or other incentives for the same insulation and air sealing upgrades. However, the amount of the rebate must be deducted from the qualifying expense total before the 30% tax credit is calculated.





\$1,200—even though there are individual limits for particular energy efficiency home improvements, insulation, air sealing, and energy audits all fall in a broad category of home upgrades that collectively have a \$1,200 annual limit.



Can a homeowner qualify for insulation tax credits in different years?

Yes, as long as the credit is not being taken for the same upgrade. So, a homeowner could upgrade their attic insulation one year and claim a \$1,200 tax credit. They could then upgrade their basement or crawl space insulation the following year and claim a separate \$1,200 tax credit for that work.

What are the requirements for a 25C-eligible energy audit?



To claim a 25C homeowner tax credit for an energy audit, the audit must be conducted by or under the supervision of an auditor certified under one of the Department of Energy's (DOE) Qualified Certification Programs. The list includes certification programs developed by ASHRAE, AEE, BPI, BSI, RESNET, and more, and is subject to change. Eligible audits must also consist of "an inspection and written report that identifies the most significant and cost-effective energy-efficiency improvements with respect to the home, including an estimate of the energy and cost savings with respect to such improvement."

You can find the full list at:

energy.gov/eere/buildings/us-department-energy-recognized-home-energy-auditor-qualified-certification-programs.

If labor is not an eligible expense under the 25C homeowner tax credit, what is considered an eligible expense?



The 25C homeowner tax credit applies to installed insulation and air sealing materials designed to reduce building heat loss or gain but does not apply to labor costs associated with its installation (labor has never been an eligible expense under the 25C homeowner tax credit). For an insulation upgrade for which a taxpayer pays a fixed price, the contractor should make a reasonable estimate of the qualifying cost of the insulation materials and the non-qualifying labor cost of the project.

Here is an example of how non-qualifying labor expenses could be calculated:

- Add up the total number of hours spent on-site installing insulation by each employee.
- Multiple that number by the hourly wage you pay
- Deduct that number from the final invoice given to the customer.
- The remainder of the invoice is eligible for the 25C homeowner tax credit.

What does it mean to meet the 2021 IECC for credit eligibility?



Insulation materials and air sealing materials must meet the criteria set by the International Energy Conservation Code ("IECC") standard in effect at the start of the year that is two years prior to the year the materials are placed in service. For projects completed in 2024 and 2025, that means complying with the prescriptive requirements of the 2021 IECC. The prescriptive table of the 2021 IECC establishes ceiling, wall, and floor insulation R-value requirements. The IECC sets requirements for new construction, so strict compliance with its insulation provisions may be unachievable in existing buildings. Best efforts should be made to meet the insulation levels set by the 2021 IECC for each area of the home being upgraded. The credit does not require air leakage testing or third-party certification of compliance.

NAIMA is the association for North American manufacturers of fiberglass, rock wool, and slag wool insulation products. Its role is to promote energy efficiency and environmental preservation through the use of fiberglass, rock wool, and slag wool insulation, and to encourage the safe production and use of these materials. Through the Insulation Institute™, we leverage the collective insulation expertise of our organization and our members to empower homeowners and professionals to make informed insulation choices. Our mission is to enable a more comfortable, energy-efficient and sustainable future through insulation — and we are constantly working with building professionals, homeowners, government agencies, and public interest, energy and environmental groups

This document provides reliable information on the 25C tax credit, but it is offered for informational purposes only. NAIMA is not offering tax advice, and this document is not claiming to have all the information needed to claim tax credits. The information provided in this document should not be relied upon as legal advice on qualifying for tax credits.

Discover more insulation knowledge at info@25Cmeansbusiness.org

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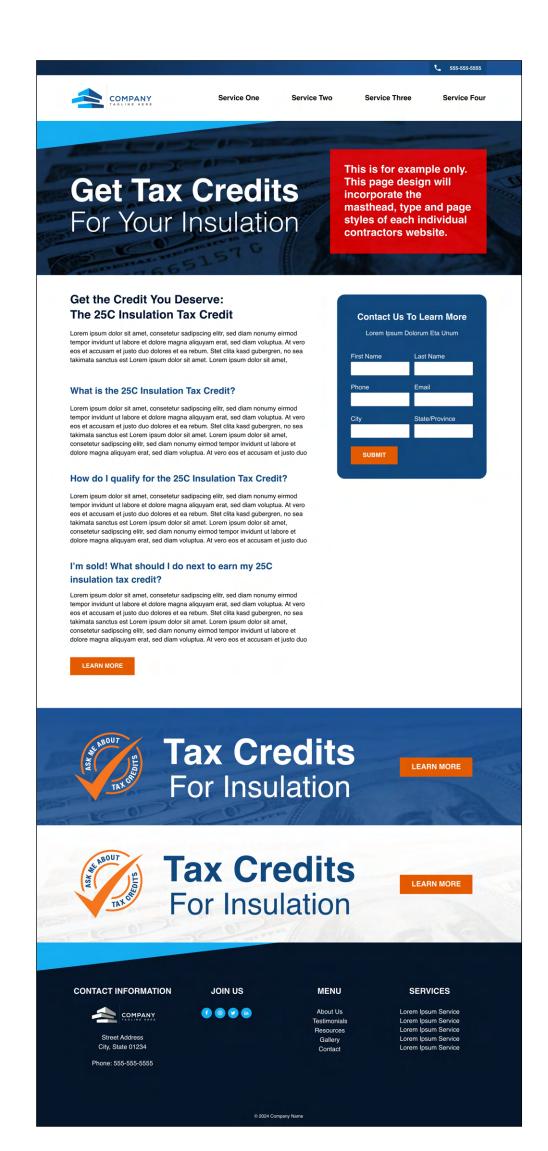
insulationinstitute.org | ©NAIMA. All Rights Reserved

Insulation Institute...



Marketing Support Materials

Contractors to Customers



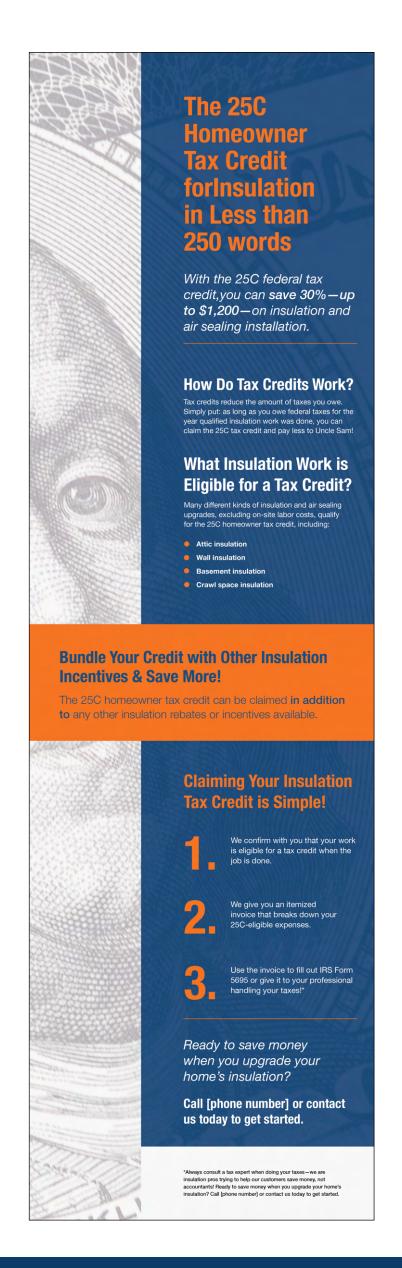
Contractor Landing Page Sample

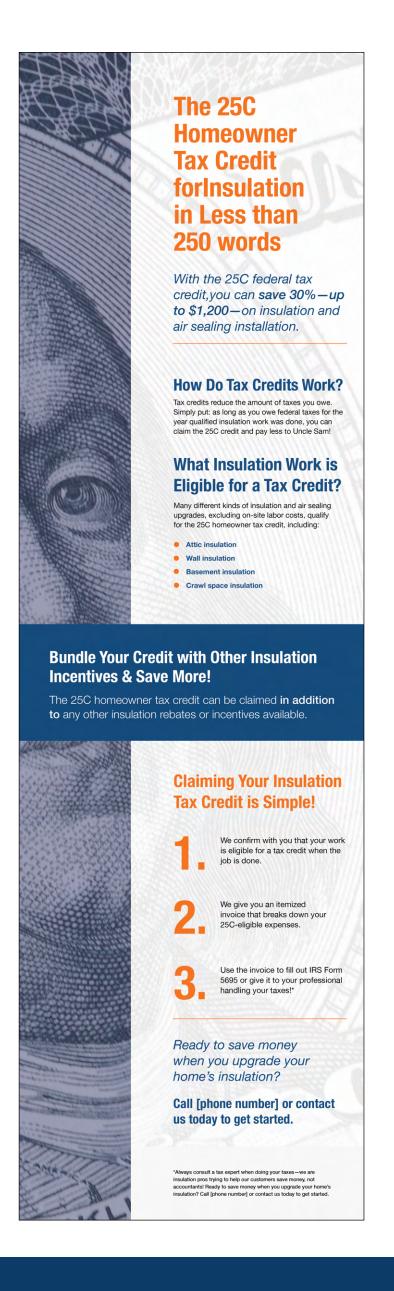


COMPANY TAGLINE HERE



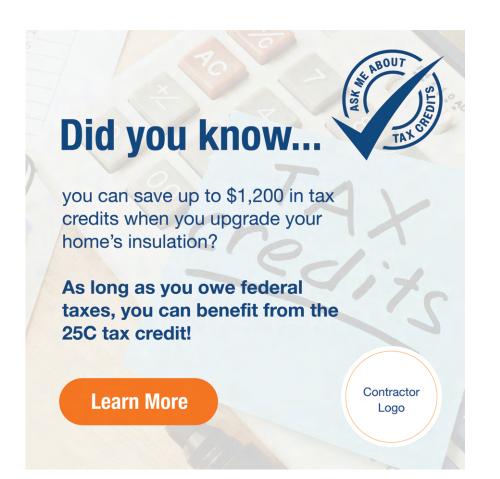


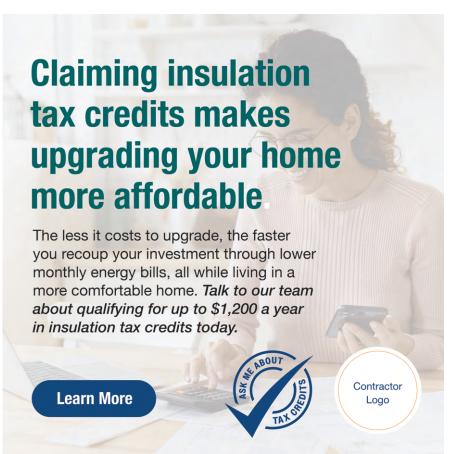






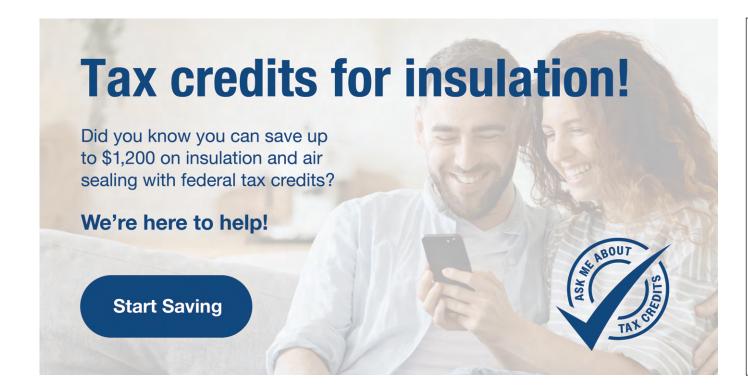
Social Media Posts







Facebook Ads





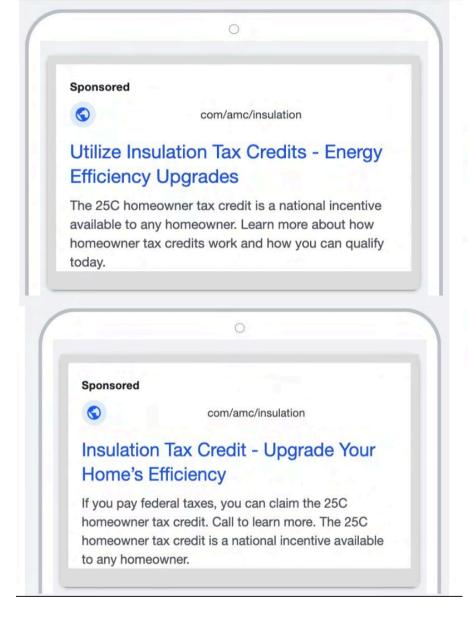
Facebook Ads

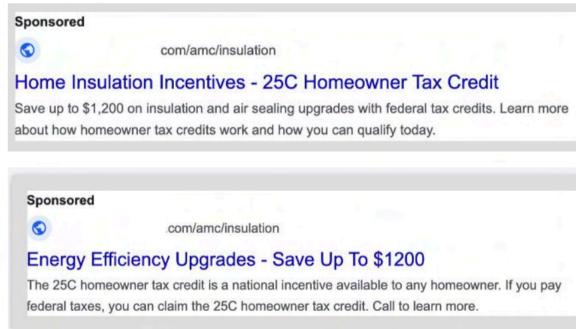






Google Search Ads





Google Display Ads







25C Homeowner Tax Credit

The 25C homeowner tax credit is a national incentive available to any homeowner.

Open



Upgrade Your Home's Efficiency

Save up to \$1,200 on insulation and air sealing upgrades with federal tax credits.



Sample Blog - Copy

The 25C Homeowner Tax Credit Explained | Company | Geo

New to tax credits for insulation and air sealing? Learn how you can save 30%, up to \$1,200 every year, on eligible insulation and air sealing upgrade costs.

The 25C Homeowner Tax Credit, Explained

Insulation and air sealing upgrades improve indoor comfort, lower heating and cooling bills, and create a healthier and safer indoor environment for your family. Plus, with the 25C homeowner tax credit, you can save 30% on the upfront costs of making these long-lasting home improvements, as much as \$1,200 every year!

If you've never heard of tax credits for insulation and air sealing, you're in the right place. Not every contractor understands how to make tax credits simple for their customers, but we do! Keep reading to learn more about what exactly a tax credit is, what upgrades are available, and the different ways that the [Contractor Name] team can help you benefit from the 25C homeowner tax credit.

Tax Credits vs. Rebates for Insulation: What's the Difference?

Tax credits and rebates are both incentives that help make energy efficiency home improvements more affordable, but they work in slightly different ways.

With a rebate, you receive a sum of money back after purchasing a qualifying product or service. This can be an immediate discount at the point of sale or a refund processed after submitting proof of purchase.

A tax credit, on the other hand, reduces the amount of income tax you owe. You see the savings when you file your taxes and claim your credit. As long as you owe enough in federal taxes, you can lower your net costs to upgrade.

Is The 25C Homeowner Tax Credit New? Why Haven't I Heard About It Before?

Originally created over a decade ago, the 25C homeowner tax credit has undergone several revisions as new laws are passed. The most recent changes to this tax credit happened in 2022, as the result of the Inflation Reduction Act.

The 25C tax credit, which was officially renamed the Energy Efficient Home Improvement Credit, was updated and improved as part of the Inflation Reduction Act, allowing homeowners to realize significantly more savings on insulation, air sealing, and other energy efficiency upgrades.

What Home Improvements Are Tax Credit-Eligible?

The 25C homeowner tax credit doesn't just apply to insulation and air sealing. There are a number of eligible services that qualify, including up to \$150 for energy audits. Others include:

- Windows and doors
- Furnaces, air conditioners, and boilers
- Water heaters
- Electrical panel upgrades

Best of all, heat pumps and heat pump water heaters have a dedicated \$2,000 limit under the 25C tax credit, separate from the combined \$1,200 annual maximum covering all of the improvements listed above. This means that you could claim as much as \$3,200 in a single year if you upgraded your insulation and installed a heat pump.

Work with an Insulation Contractor That Understands Tax Credits

The Energy Efficient Home Improvement Credit is easy to qualify for and claim—as long as you work with a contractor that understands the rules and is committed to making the process simple for customers! At [Contractor Name], we can provide you with an itemized invoice that clearly identifies your tax credit-eligible expenses and has everything you need when it comes time to file*. Our team is well-trained on tax credits, can answer any questions you have, and will make sure you get ALL of the credit you qualify for!

*We always recommend hiring a tax professional when it comes to your taxes, especially when there are significant incentives on the line!

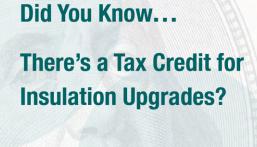
Find out how much you save with tax credits when you upgrade your home's insulation. Call [phone number] or contact us online to learn more.

FB/GBP POST COPY:

New to tax credits for insulation and air sealing? Learn how you can save 30%, up to \$1,200 per year, on eligible insulation and air sealing upgrade costs.





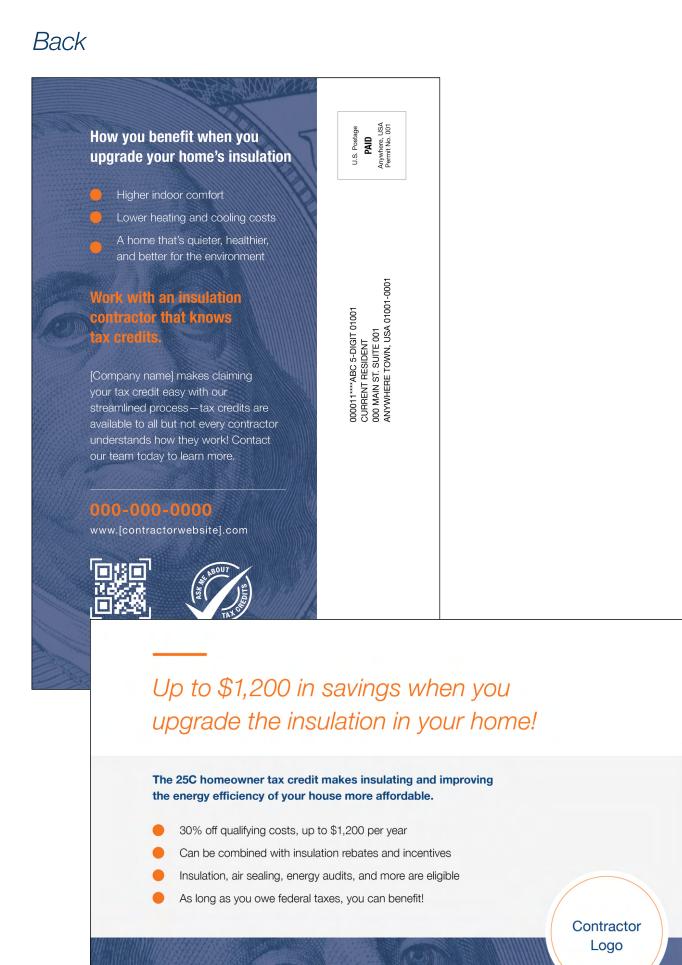


Up to \$1,200 in savings when you upgrade the insulation in your home!

Front

The 25C homeowner tax credit makes insulating and improving the energy efficiency of your house more affordable.

- 30% off qualifying costs, up to \$1,200 per year
- Can be combined with insulation rebates and incentives
- Insulation, air sealing, energy audits, and more are eligible
- As long as you owe federal taxes, you can benefit!



Front

Did You Know There's a Tax Credit for Insulation Upgrades?

Back



Front



Partner with a Contractor that Knows Insulation Tax Credits

There are certain requirements that must be met for insulation upgrades to be eligible for the 25C homeowner tax credit. This is why it's important to work with a contractor who is knowledgeable about tax credit details and can help ensure you can claim your credit.

Questions to ask your contractor:

- "Will my insulation upgrades be eligible for the 25C tax credit?"
- "How much do I stand to qualify for in tax credits?"
- "Can you provide me with an itemized invoice for my tax records?"
- "Can I claim the 25C tax credit in addition to insulation rebates?"





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www.[contractorwebsite].com

NAIMA is the association for North American manufacturers of fiberglass, rock wool, and slag wool insulation products. Its role is to promote energy efficiency and environmental preservation through the use of fiberglass, rock wool, and slag wool insulation, and to encourage the safe production and use of these materials. Through the Insulation Institute™, we leverage the collective insulation expertise of our organization and our members to empower homeowners and professionals to make informed insulation choices. Our mission is to enable a more comfortable, energy-efficient and sustainable future through insulation — and we are constantly working with building professionals, homeowners, government agencies, and public interest, energy, and environmental groups to realize that vision.

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Insulation Institute KNOWLEDGE LEADERSHIP CONFIDENCE

Your Guide to the 25C homeowner Tax Credit

An introduction to the Energy Efficient Home Improvement Credit and how you can take advantage to upgrade your home.

Save up to \$1,200 per year!



The Benefits of Insulating Your Home!



First Panel

A more comfortable, quieter home



Improved indoor health

Upgrading your insulation and air sealing creates a more energy efficient house. This results in consistent indoor temperatures, fewer indoor drafts, and less risk of ice dams on your roof. Your heating and cooling systems will need to run less often, saving money on energy costs. Making your home more energy efficient also wastes less energy and is better for the planet!

What is the 25C Tax Credit?

A tax credit reduces the amount of taxes you owe. The 25C homeowner tax credit is officially called the Energy Efficient Home Improvement Credit. It's Section 25C of the IRS tax code.

This tax credit is designed to incentivize specific home improvements that increase energy efficiency, including insulation, air sealing, and energy audits.

*As long as you owe federal taxes for the year when new insulation was put in, you can benefit! The 25C homeowner tax credit is available to any homeowners making upgrades to their primary residences.

- Federal tax credit equal to 30% of qualifying home improvement costs
- Annual limit of \$1,200 for insulation and air sealing
- \$150 limit for energy audits
- On-site labor costs are not covered

How to Claim the 25C Homeowner Tax Credit

Verify Eligibility

Your contractor will verify that the insulation work performed meets the criteria for 25C homeowner tax credit eligibility.

Make sure you're given an invoice breaking down the tax-credit-eligible portion of the work. You'll need this when you

or your accountant goes to file

your taxes for the year in which

work was done on your home.

File IRS Form
5695 or consult a
Tax Professional*

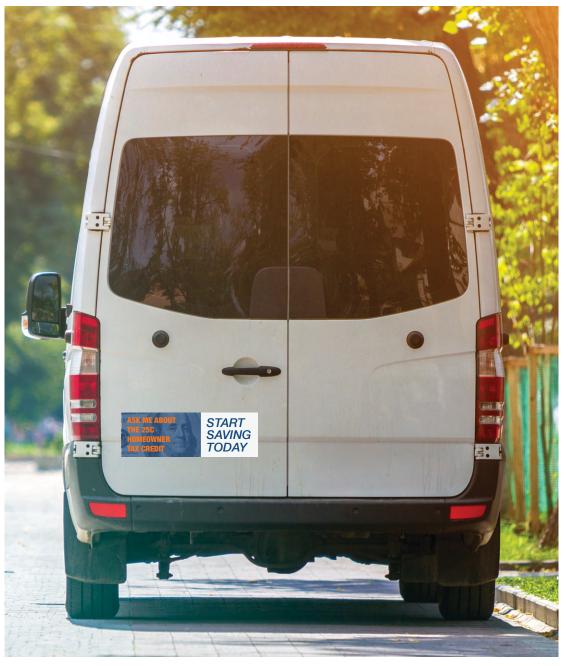
When you file your taxes, remember your tax credit!

*We always recommend you have a tax professional prepare your taxes.



Truck Magnets









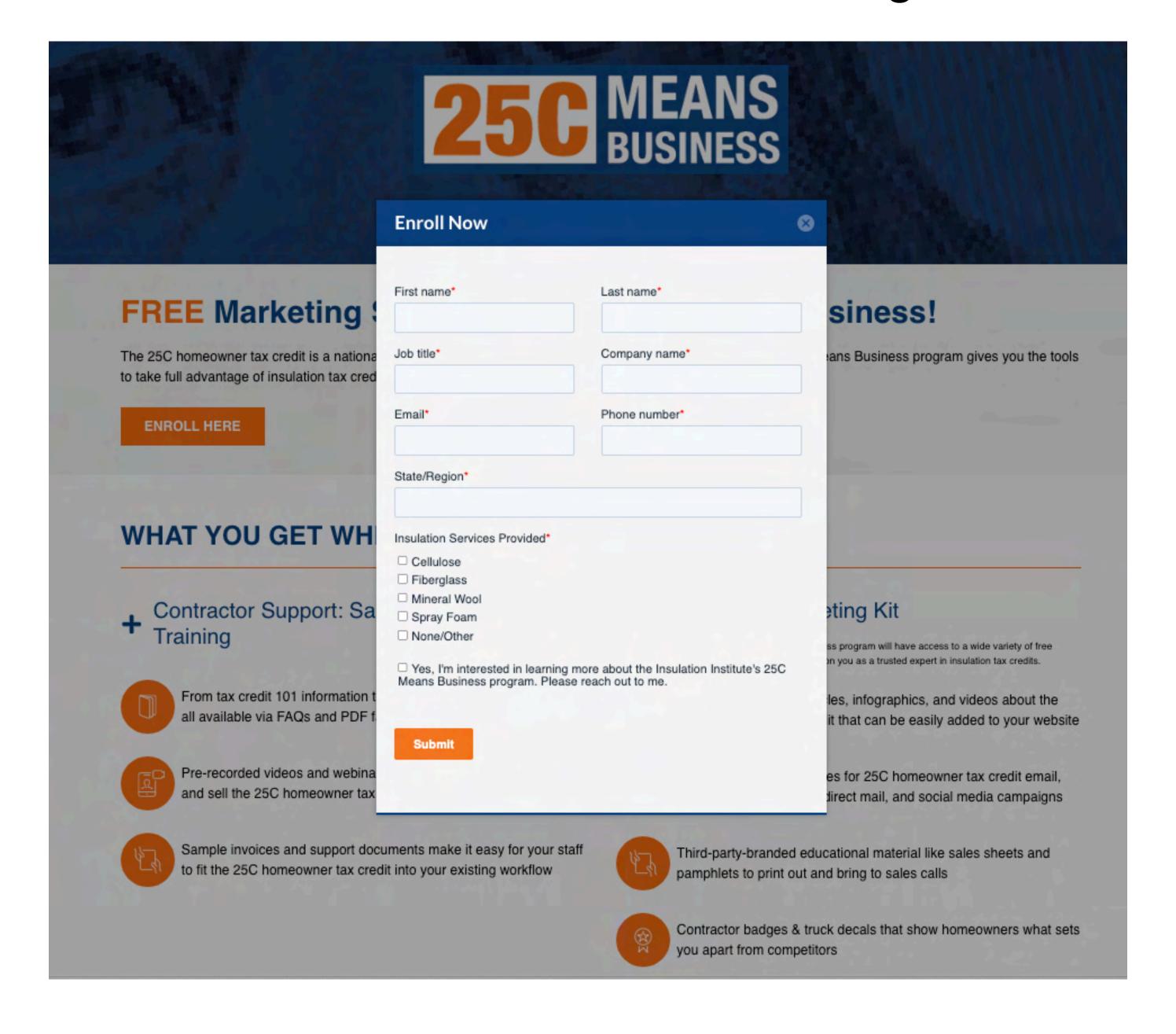
Contractor Badge







www.25Cmeansbusiness.org

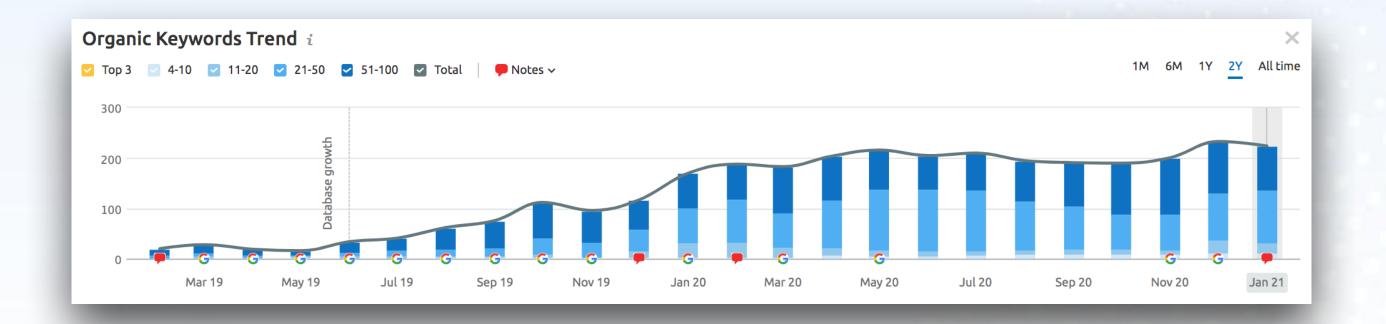


USING THE TAX CREDIT IN YOUR MARKETING



Strong Organic Performance

Keyword		SERP Features	Pos.	Diff. 🗘	Traffic % 🗘	Volume 🗘
solar tax credit		₩ 🛭 🕙	62 <i>></i> 62	0	< 0.01	5,400
federal solar tax credit		8 8	40 → 40	0	0.13	4,400
solar tax credit 2020		₩ 8 8 •	45 → 43	↑2	0.04	3,600
solar panel tax credit	Ô	₩ 🛭 🔞	52 → 52	0	< 0.01	2,400
federal solar tax credit 2020		<u>₩</u> 🛭 😢 🕞	37 → 37	0	0.04	1,600
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solar panel tax credit 2020		₩ 🛭 🔞 🕞	34 → 34	0	< 0.01	1,000
solar investment tax credit		<i>⊘</i> ② ②	18 → 18	0	0.13	1,000
how does the solar tax credit work		₩ 🛭 😢 🕞	● → 36	new	< 0.01	720
2020 solar tax credit	Ĝ	₩ 🛭 🕝 🕞	44 <i>></i> 46	↓ 2	< 0.01	720

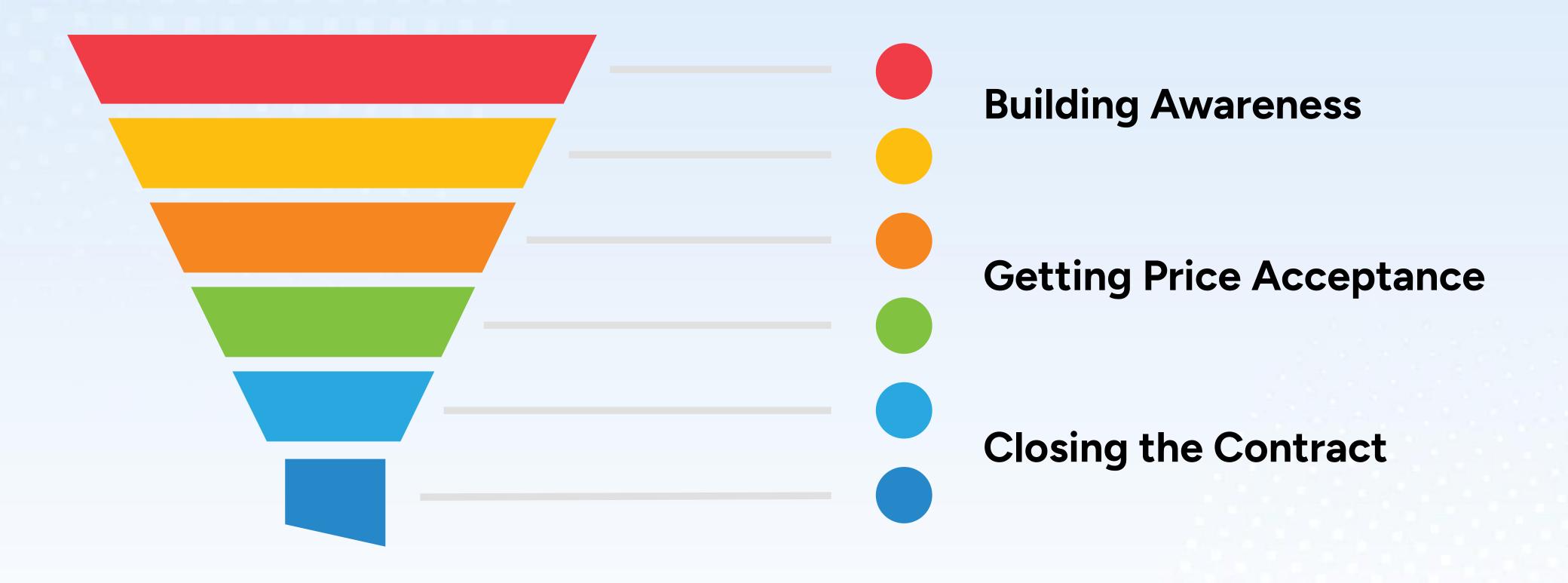




Popularity of Tax Incentive Content

Landing Dags (2)	Acquisition
Landing Page ⑦	Users ? ✓ New Users ? Sessions ?
	41,468 % of Total: 37.98% (109,197) 40,599 % of Total: 37.49% (108,304) 48,784 % of Total: 36.68% (133,011)
1. /	7,150 (16.24%) 6,419 (15.81%) 8,696 (17.83%)
2. /solar-blog-resource-center/blog/what-happens-when-you-sell-r-buy-a-home-with-solar-panels/	4,642 (10.54%) 4,615 (11.37%) 4,926 (10.10%)
 /solar-blog-resource-center/blog/how-do-temperature-and-sha e-affect-solar-panel-efficiency/ 	d 3,042 (6.91%) 3,029 (7.46%) 3,412 (6.99%)
4. /solar-blog-resource-center/blog/does-battery-storage-qualify- r-the-federal-investment-tax-credit/	2,430 (5.52%) 2,386 (5.88%) 2,565 (5.26%)
5. /solar-blog-resource-center/blog/why-2020-is-the-year-to-go-so ar-in-massachusetts/	2,311 (5.25%) 2,177 (5.36%) 2,539 (5.20%)

Differentiation Across the Funnel



Understanding the Incentive Buyer Persona

Rhonda and Roger Rebate

Overall Goal: To take advantage of rebate programs.

Level of knowledge: Relatively low.

What they want: To take advantage of

the deal.

Mindset: Searching for and trying to understand what incentives and rebates are available.

Buying Intent: Unlikely to close without

an incentive.



Evergreen Home Performance - Get Up To \$8,000 In Incentives

Contact our team of specialists for high-performance insulation, and start saving. We'll help you save on insulating your home, with incentives up to \$8,000! Service catalog: Home Energy Audits, Custom Energy Plans, Insulation Experts, Basement Encapsulation. Highlights: Newsletter Available, Case Studies Available, Using Expert Energy Audit Diagnostics. Local Maine Business. Check Case Studies. Efficiency Thought Leader. Financing Available. Custo...



Key Content Elements for your Website:

- 1. Incentives & Financing Landing Page
- 2. Home Page Hero Image or Banner*
- 3. Incentive Info on Each Service Page*





Sponsored

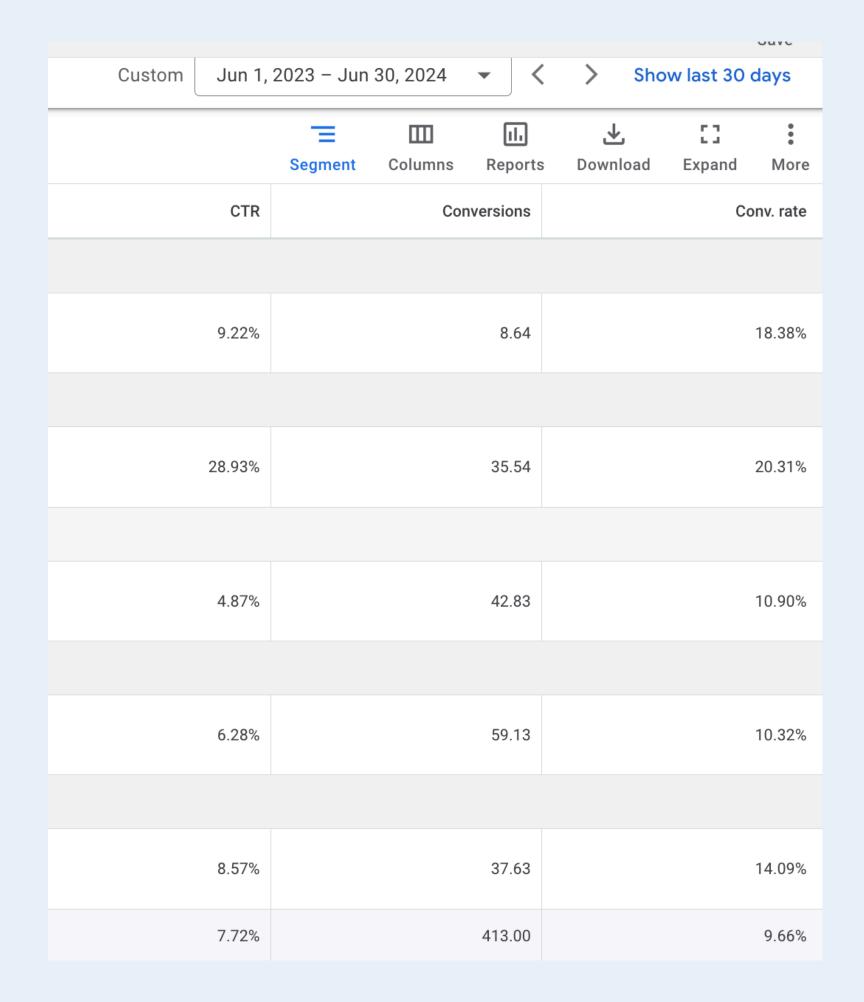


Increase Your Home's Comfort -Sharing Home Comfort Solutions

Contact our team of certified home performance specialists for a custom solution. Discover how your home can be more energy efficient, comfortable, healthy, and safe. Neighborhoods: Kent, Tallbot, Queen Anne's, Caroline, Dorchester, Wicomico, Somerset,...

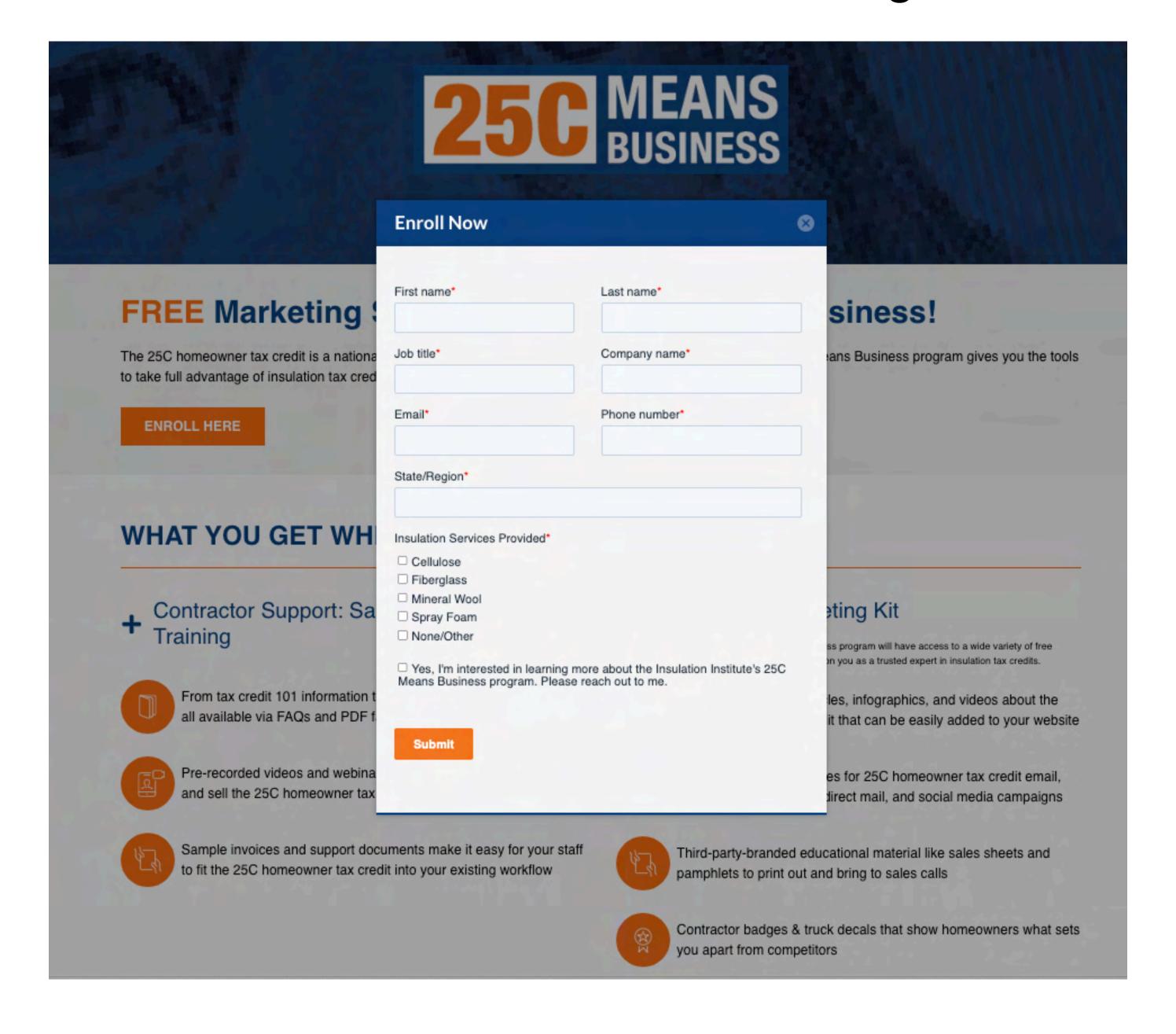
Crawl Space Encapsulation

Financing & Rebates





www.25Cmeansbusiness.org



END